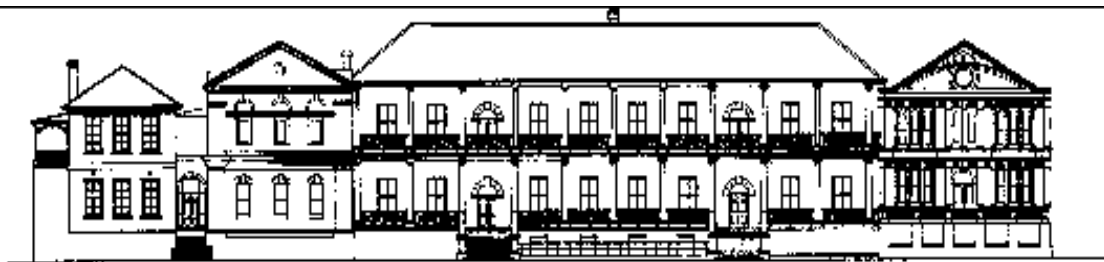




PUBLIC ACCOUNTS COMMITTEE

ANNUAL REPORT 1999 – 2000



Report No.129
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PUBLIC ACCOUNTS COMMITTEE

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Charter of the Committee

The Public Accounts Committee has responsibilities under the *Public Finance and Audit Act 1983* to inquire into and report on activities of government that are reported in the State's Public Accounts and the accounts of the State's authorities.¹ The Committee, which was established in 1902, scrutinises the actions of the Executive Branch of Government on behalf of the Legislature.

The Committee recommends improvements to the efficiency and effectiveness of government activities. The sources of inquiries are the Auditor-General's reports to Parliament, referrals from Ministers and references initiated by the Committee. Evidence is primarily gathered through public hearings and submissions. As the Committee is an extension of Parliament its proceedings and reports are subject to Parliamentary privilege.

Members of the Committee

The Committee comprises members of the Legislative Assembly and assumes a bi-partisan approach in carrying out its duties.

Chairman:	Joseph Tripodi MP, Member for Fairfield (ALP)
Vice-Chairman:	The Hon. Pam Allan MP, Member for Wentworthville (ALP)
Members:	Barry Collier MP, Member for Miranda (ALP)
	Ian Glachan MP, Member for Albury (Liberal)
	Katrina Hodgkinson MP, Member for Burrinjuck (National)
	Richard Torbay MP, Member for Northern Tablelands (Independent)

Committee Secretariat

Committee Manager:	David Monk
Committee Officer:	Stephanie Hesford
Assistant Committee Officer:	Mohini Mehta
Adviser to the Committee:	Christopher Bowdler (Until April 2001)

To contact the Committee:

Public Accounts Committee	
Parliament House	Telephone (02) 9230 2631
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Sydney NSW 2000	E-mail pac@parliament.nsw.gov.au

¹ See Part 4 of the Act – The Public Accounts Committee.



Chairman's Foreword

Since 1984, the Public Accounts Committee has tabled an annual report in Parliament. The Committee does not have a statutory requirement to produce an annual report. However, it has been seen as an avenue to inform the wider community about the work of the Committee.

With advances in technology, such as the Internet, information on the Committee and its activities are more readily available from other sources than an annual report.

Moreover, as the Committee is a Committee of the Legislative Assembly, a summary of its activities and corporate information is contained in the Legislative Assembly's annual report. The Public Accounts Committee remains the only committee of the Parliament to produce an annual report. In light of the increased availability of information through the greater level of disclosure and detail within the Legislative Assembly report and with the ever increasing complexity and sophistication in public accounting, the Committee is of the view it should no longer produce its own separate Annual report. The Committee's time is better directed undertaking further inquiries. As such, this document will be the final annual report for the Public Accounts Committee.

In spite of the disruption caused by the restructuring of the parliamentary committee system by the Legislative Assembly, the past year has been productive for the Public Accounts Committee. The Committee tabled four reports in the period 1 July 1999 until 30 June 2000 and laid the foundations for many more.

Amongst them was the Peer Review of the Audit Office of New South Wales, which is undertaken pursuant to section 48A of the *Public Finance and Audit Act 1983* and serves to ensure the work of the Auditor-General remains accountable and of the highest standard. The report identifies and targets important areas for improvement and constructively prescribes ways in which the operations of the Audit Office may be made more efficient and effective.

One of the Committee's major inquiries this financial year concerned the issue of industry assistance. This year has seen extensive accumulation of data and information on the subject by members and staff. The Committee held a number of hearings in regional and urban New South Wales in order to evaluate issues arising from the provision of assistance to both urban and regional areas. Once complete, the Committee will table a final report.

The Committee also conducted an inquiry on private sector participation in the provision of public infrastructure. Concerns were raised with the Committee regarding the current structure of the budget for infrastructure. Members were interested in investigating the extent to which the budget allows for the optimum delivery of infrastructure projects. The Committee also considered the issue of risks associated with the State's participation in public/private partnerships in infrastructure projects.

In relation to capital funding, the Committee held a round table discussion on contract tendering with representatives from a range of private sector infrastructure providers.



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Discussion was held on the management of capital works tenders and contracts by New South Wales Government agencies and to gauge the problems private companies may be experiencing in lodging tenders for capital works projects.

The Premier's Department is currently conducting a Green Paper process on how best to prepare the NSW Government for the more effective and comprehensive involvement of the private sector in public sector activities. The Committee has reservations about the direction the Working With Government Taskforce seems to be taking. In light of the mixed history of these public-private partnerships in New South Wales, the Committee may find it necessary to become more involved.

Apart from initiating its own inquiries, the Committee is required to follow-up matters raised by the Auditor-General in his reports to parliament. This year the Committee examined a wide range of issues such as cost control in the Department of Juvenile Justice, the long term financial viability of the waste recycling and processing service, and the financial disclosure of the WorkCover Scheme Statutory Funds. These follow-up reports were tabled early in the 2000-2001 financial year.

The great strength of the Committee has always been its strong bipartisan approach to its work. I would like to thank my fellow members, The Hon. Pam Allan, Barry Collier, Ian Glachan, Katrina Hodgkinson and Richard Torbay for their co-operation.

Whilst 1999-2000 saw the appointment of a new Committee Manager, staffing levels within the Committee were strained, requiring research support from officers seconded from Government Departments. The Committee would like to thank all officers who worked with the Committee for their skill, dedication and team spirit.

Joseph Tripodi MP
Chairman



Members of the Committee

Mr Joseph Tripodi, B.Ec (Hons), MP, Chairman

Mr Tripodi was elected to Parliament in March 1995 as the ALP Member for Fairfield. Before entering Parliament he worked as an economist with the Reserve Bank of Australia and as a union official with the Labor Council of NSW. Mr Tripodi has been a Member of the Committee since May 1995 and was elected Vice-Chairman in September 1996. Following the General Election held in March 1999 Mr Tripodi was re-appointed to the Committee and subsequently elected Chairman.

The Hon. Pam Allan, B.A. (Hons), Dip. Ed. (Syd) Honours in Government, MP, Vice-Chairman

Ms Allan was elected to Parliament on 19 March 1988 as the ALP Member for Wentworthville. Prior to entering Parliament, Ms Allan served as an Alderman on the Parramatta City Council and as a delegate and later became Chairman of the Western Sydney Regional Organisation of Councils. During her Parliamentary career Ms Allan has served as the Minister for Environment and Shadow Minister for Planning, Environment and Women's Affairs. Ms Allan has served as a Member of the Joint Select Committee on Waste Management and was appointed to the Public Accounts Committee on 3 June 1999 and elected Vice-Chairman on 23 June 1999.

Mr Barry Collier, B.Comm., Dip. Ed., Dip. Law, MP

Mr Collier was elected as the ALP Member for Miranda on 27 March 1999. Before entering Parliament Mr Collier was a barrister practising criminal law (1997-98) and previously a solicitor from 1989 to 1996. Prior to being admitted as a solicitor, Mr Collier was a high school teacher for 17 years, teaching economics, commerce and legal studies. He is a former President of the Legal Education Teachers' Association, a former Director of the Economics Teacher's Association, and is a published author having written *Introducing Economics 1, 2 & 3* – texts for HSC economics examination students. Mr Collier was Chair of the NSW Economic Examination Committee for three years from 1985 – 1988. He was appointed as a Member of the Committee on 3 June 1999.

Mr Ian Glachan, MP

Mr Glachan has been the Liberal Member for Albury since 1988. Mr Glachan has a varied background serving five years at sea as a marine engineer, a farmer for ten years, and a small business operator (newsagency) for eighteen years. Mr Glachan is also a former President of the Albury-Hume Rotary Club and a Paul Harris Fellow. He is also an active member of the Anglican Church, and was the Legislative Assembly Member appointed to the Board of Governors of Charles Sturt University from 1995 until 1999. Mr Glachan has been a Member of the Committee from 1992 until the present, serving as Chairman 1994-95.



Ms Katrina Hodgkinson, MP

Ms Hodgkinson was elected as the National Party Member for Burrinjuck on 27 March 1999. Before entering Parliament Ms Hodgkinson was Executive Officer to the Federal Cabinet Minister, Senator The Hon. Nick Minchin. Ms Hodgkinson is a partner in a wool and fine arts retail enterprise. She is a former property developer and is a former member of several rural economic based committees. Ms Hodgkinson was appointed a member of the Public Accounts Committee on 3 June 1999.

Mr Richard Torbay, MP

Mr Torbay was elected an Independent Member for the Northern Tablelands on 27 March 1999. Before entering Parliament Mr Torbay served the local community of Armidale. He is a former Mayor and Deputy Mayor of Armidale, serving on the Armidale City Council since 1991. Mr Torbay has acted as Chairman of the NSW Country Mayor's Association, and is the Patron of Armidale District Chamber of Commerce. Mr Torbay became a Member of the Public Accounts Committee on 3 June 1999.



Public Accounts Committee Secretariat for 1999 – 2000

Committee Manager

Ms Catherine Watson (until October 1999)
Ms Yael Larkin (from October 1999)

Project Officer

Ms Yael Larkin (until October 1999)

Committee Officer

Ms Stephanie Hesford (from June 2000)

Assistant Committee Officer

Ms Caterina Sciara (until July 1999)
Ms Mohini Mehta (from April 2000)

Adviser to the Committee

Mr Chris Bowdler, The Audit Office of New South Wales (from March 2000)

Temporary Staff and secondees

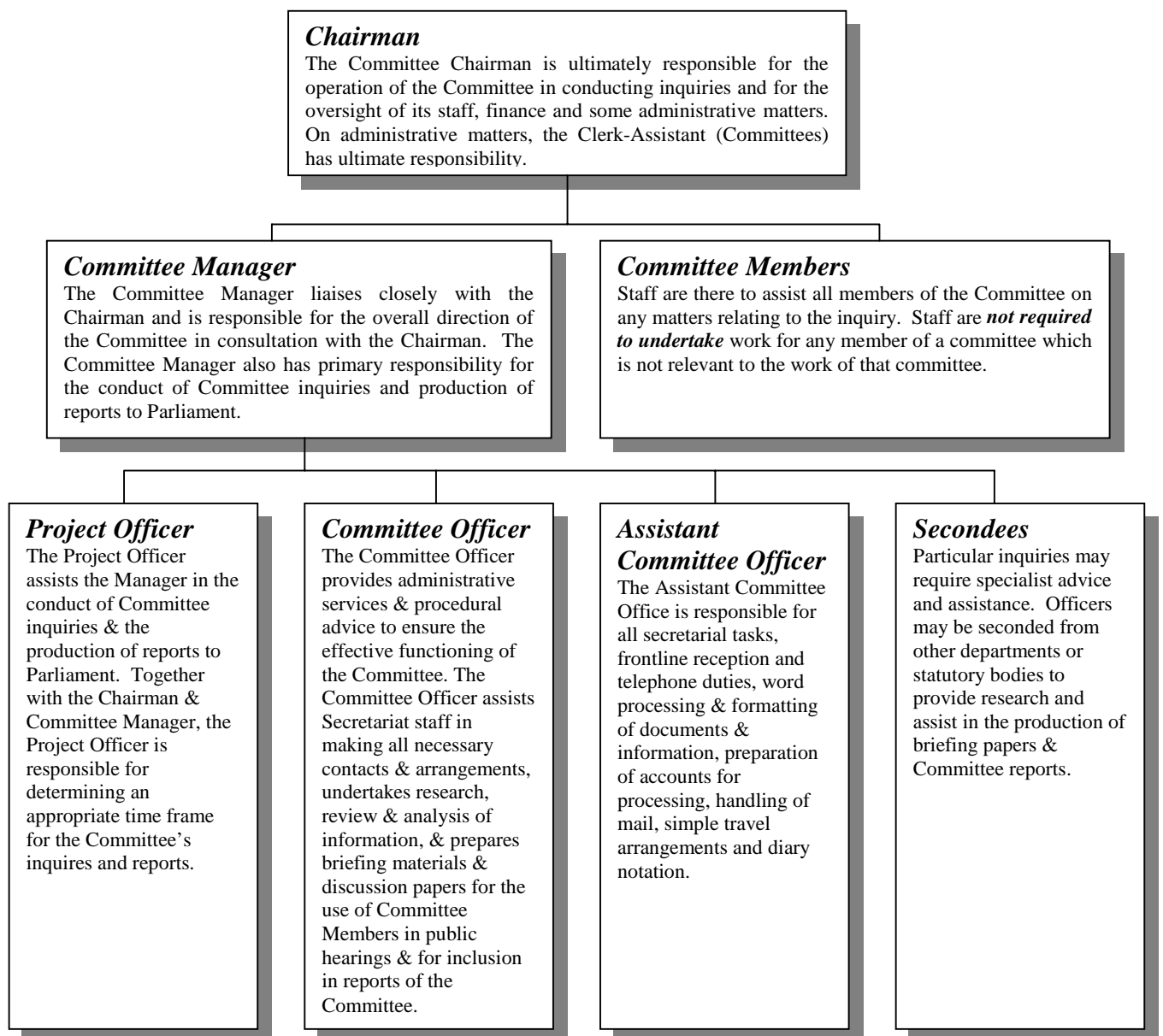
The Committee also made use of temporary staff to accommodate its research and inquiry work: Mr Keith Ferguson, Research Officer; Mr Chris Denney, Committee Officer; Ms Carolyne Allen, Assistant Committee Officer; Ms Julie King, Assistant Committee Officer.

The Committee also instituted a program of secondments in order to provide it with particular expertise and to enhance the role and responsibilities of the Committee. Officers were seconded from the Department of State and Regional Development and the Department of Transport.



Public Accounts Committee's Organisation Chart

Staff of the Committee are apolitical employees of the Parliament. As such they are ultimately accountable to the Clerk of the Legislative Assembly for the work they produce. Staff of the Committee are under the control and direction of the Chairman, although the Clerk-Assistant (Committees) would be consulted on any administrative or employment matters. Staff of the Committee are also required to assist any member of the Committee on any matters relating to the work of the Committee. This diagram shows the structure within the Public Accounts Committee.





Functions of the Committee

The Public Accounts Committee (PAC) consists of six members of the Legislative Assembly. The Committee is established under Part 4 of the *Public Finance and Audit Act 1983*. The functions of the Committee are set out in Section 57.

Section 57 of the *Public Finance and Audit Act 1983* lists the Committee's functions:

- (1) The functions of the Committee are:
 - (a) to examine the Public Accounts transmitted to the Legislative Assembly by the Treasurer,
 - (b) to examine the accounts of authorities of the State, being accounts that have been:
 - (i) audited by the Auditor-General or an auditor appointed under section 47 (1), or
 - (ii) laid before the Legislative Assembly by a Minister of the Crown,
 - (c) to examine the opinion or any report of the Auditor-General transmitted with the Public Accounts or laid before the Legislative Assembly with the accounts of an authority of the State (including any documents annexed or appended to any such opinion or report),
 - (c1) to examine any report of the Auditor-General laid before the Legislative Assembly,
 - (d) to report to the Legislative Assembly from time to time upon any item in, or any circumstances connected with, those accounts, reports or documents which the Committee considers ought to be brought to the notice of the Legislative Assembly,
 - (e) to report to the Legislative Assembly from time to time any alteration which the Committee thinks desirable in the form of those accounts or in the method of keeping them or in the method of receipt, expenditure or control of money relating to those accounts,
 - (f) to inquire into, and report to the Legislative Assembly upon, any question in connection with those accounts which is referred to it by the Legislative Assembly, a Minister of the Crown or the Auditor-General, and
 - (g) to inquire into expenditure by a Minister of the Crown made without Parliamentary sanction or appropriation or otherwise than in accordance with the provisions of this Act or any other Act and report to the Legislative Assembly from time to time upon any matter connected with



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that expenditure which the Committee considers ought to be brought to the notice of the Legislative Assembly.

- (2) The functions of the Committee extend to an examination of, inquiry into or report upon a matter of Government policy if and only if the matter has been specifically referred to the Committee under subsection (1)(f) by the Legislative Assembly or a Minister of the Crown.
- (3) The functions of the Committee do not extend to an examination of, inquiry into or report upon the estimates of any proposed expenditure by the State or by an authority of the State.
- (4) If, at any time at which the Committee seeks to report to the Legislative Assembly in accordance with subsection (1), the Legislative Assembly is not sitting, the Committee shall present its report to the Clerk of the Legislative Assembly to be dealt with in accordance with section 63C.

Section 57A of the *Public Finance and Audit Act 1983* provides the Committee with the power to veto any proposed appointment of the Auditor-General:

- (1) The Treasurer is to refer a proposal to appoint a person as Auditor-General to the Committee and the Committee is empowered to veto the proposed appointment as provided by this section. The Treasurer may withdraw a referral at any time.
- (2) The Committee has 14 days after the proposed appointment is referred to it to veto the proposal and has a further 30 days (after the initial 14 days) to veto the proposal if it notifies the Treasurer within that 14 days that it requires more time to consider the matter.
- (3) The Committee is to notify the Treasurer, within the time that it has to veto a proposed appointment, whether or not it vetoes it.
- (4) A referral or notification under this section is to be in writing.



History of the Committee

The Committee was established by the *Audit Act 1902*. Until 1981, the Committee met only two to four times a year, each meeting lasting for only about half an hour. Committee reports during those years were a few pages long, confining themselves to instances of over expenditure, financial impropriety or procedures on contracts. Until December 1982, the Committee had only two functions:

- (1) to inquire into matters relating to the Public Accounts referred to it by the Legislative Assembly, a Minister or the Auditor-General; and
- (2) to inquire into expenditure by Ministers which had not been sanctioned and appropriated by Parliament.

The first function was not exercised until November 1981, when the Committee received a reference to inquire into over-expenditure in public hospitals and the general accountability of the public hospital system. The second function was performed only superficially until 1982, when public hearings were held and departmental witnesses examined for the first time about over-expenditures.

In commenting on the lack of references given to the Public Accounts Committee, the Joint Committee on Public Accounts and Financial Accounts of Statutory Authorities noted:

“...either a standard of efficiency in the financial administration of Departments stretching credulity to more than reasonable limits or alternatively – and more probably, a lack of understanding on the part of both the Legislature and the Executive of the need for vastly improved machinery for improvement in the control of public finance.”

The inactivity of the Public Accounts Committee was clearly the result of the latter – a lack of appreciation by successive governments of the need for a legislatively backed watchdog of public expenditure. However, by the late 1970s there was a growing recognition in government of the need for enhanced accountability of the public sector to the Legislature.

Three successive reports from parliamentary committees appointed to examine the form of the Public Accounts and the accounts of statutory authorities recommended that:

- (1) the Audit Act be amended to increase the functions of the Public Accounts Committee to allow it to initiate its own inquiries; and
- (2) the Public Accounts Committee be serviced by a permanent secretariat of parliamentary officers.

As a result of these recommendations, in December the *Audit (Public Accounts Committee) Amendment Bill 1982* was passed to expand considerably the powers of the Public Accounts Committee. In addition to its two former functions, the Committee was empowered to:

- examine the Public Accounts;



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- examine the accounts of statutory authorities;
- examine the Auditor-General's reports and related documents;
- report to the Legislative Assembly upon any items in, or circumstances connected with those accounts, reports or documents; and
- report to the Assembly on any alteration the Committee thinks desirable in the form of the accounts, or in the method of keeping accounts, or the receipt, expenditure or control of money.

The Audit Act of 1902 was replaced by the *Public Finance and Audit Act 1983* which retained the functions of the Committee acquired in December 1982. In addition, a permanent secretariat was established in August 1983. The membership of the Committee was increased from five to six with the passing of an amendment to the *Public Finance and Audit Act 1983* in June 1999.

The strengthening of the Public Accounts Committee's statutory powers in 1982 received bipartisan support. Bipartisanship has underpinned the way the Public Accounts Committee has investigated problems in public sector administration. The Committee has been supported by all political parties and Independents, as well as the media. Its work has involved a search for common ground, the sharing of ideas and experience, and effective consultation and negotiation.

Inquiries by the reconstituted Public Accounts Committee have contributed to, and in many cases, been entirely responsible for restructuring of government agencies and systems. In the public health system, for example, the Committee has driven improvements in the accountability of hospitals and in the efficiency of the Home Care Service. In the public sector generally, the Committee has provided impetus to the adoption of annual reporting and accrual accounting, and the strengthening of internal audit.

Over the last decade, a close working relationship has been forged between the Committee and successive Auditors-General. The Auditor-General and the Committee have complementary roles. The Auditor-General identifies problems in government administration, and the Committee investigates the reasons behind the problems and works towards their rectification. Together, the Committee and the Auditor-General form a strong instrument of accountability to ensure State finances are properly managed and reported.



Mission Statement

The Public Accounts Committee serves the Parliament and thereby the community by:

- Acting as the parliamentary watchdog over government expenditure;
- Promoting the efficient and effective implementation of government policy; and
- Ensuring greater accountability of the executive government to Parliament and the public.

Objectives

The objectives of the Public Accounts Committee are:

- To increase the efficiency and effectiveness with which government policy is implemented;
- To increase the public sector's awareness of the need to be efficient, effective and accountable for its operations; and
- To increase the awareness and understanding of parliamentarians and members of the public of the financial and related operations of government.

Strategies

The Public Accounts Committee works towards achieving its objectives mainly by conducting inquiries and reporting its findings and recommendations. Those reports which recommend change are followed up to ensure that the Committee's recommendations are given serious consideration. The Committee also reviews proposals to amend legislation and regulations on accountability issues, and also participates in public education on these matters.

Initiating inquiries

Public Accounts Committee inquiries may result from a reference from a Minister, the Legislative Assembly or the Auditor-General, or inquiries may be initiated by the Committee itself. Inquiries initiated by the Committee usually result from matters raised in reports of the Auditor-General, or they review action taken on recommendations in previous reports.

Examining Auditor-General Reports

The Auditor-General reports to Parliament on the results of the audit of the Treasurer's Public Accounts and the accounts of government agencies. These volumes may include results of "special" performance audits, or results of such audits may be reported separately.

The Committee examines the Auditor-General's reports for problems in financial management experienced by agencies. Such problems are often associated with a



qualified audit opinion on the financial statements, late submissions, or issues relating to the management of agencies.

The Committee identifies matters in the Auditor-General's reports which it considers warrant further investigation. The Chairman writes to the relevant agencies and Ministers seeking a response to the concerns expressed by the Auditor-General. On receipt of such a response, the Committee may decide some matters require no further action. If necessary, the Committee may call officers of an agency to give formal evidence before it in a hearing. In some cases, the Committee may consider a further investigation is required through a full inquiry.

The Inquiry Process

Once terms of reference are established, advertisements are placed in the press informing the public of the inquiry and seeking submissions from interested parties. Letters or questionnaires may be written to government agencies or private bodies seeking information or submissions. Organisations and interested parties may then be called to give evidence at a public hearing.

The completed report is tabled in Parliament and distributed to Members of Parliament, government agencies, libraries, witnesses, those who made submissions, and the Government Information Service.

Taking Evidence

Witnesses are summoned to give evidence before the Committee by an order of the Committee, signed by the Chairman. In practice, witnesses are notified by telephone and in writing of the time, place and subject matter for the hearing, and the summons is handed to them before the hearing. Before giving evidence, witnesses must take an oath or make an affirmation.

Public hearings are often attended by members of the media. The Committee aims to ensure that its activities are as open and public as possible.

To date, the Committee has enjoyed the fullest co-operation by public officials in attending its hearings. It has never yet had to exercise its powers to compel a witness to attend through the issue of a warrant under the *Parliamentary Evidence Act 1901*.

Of significance, the Committee has found that inefficiencies in agencies are often corrected during the investigation and before the Committee reports, testifying to the constructive nature of the inquiry process itself.

The *Public Finance and Audit Act 1983* provides that, with some exceptions, the Committee takes evidence in public hearings. However, if the Committee considers that evidence relates to a confidential matter, the Committee may decide to take evidence in private. A witness can request a hearing in private and the Committee may agree. All hearings are recorded by Hansard. Minutes of evidence from public hearings are published and tabled in the Legislative Assembly.



A document can also be treated as confidential. Evidence taken in private at the request of a witness is not to be disclosed or published without the written consent of the witness. Evidence taken where the Committee has decided to take evidence in private can only be disclosed with the authority of the Committee.

Witnesses are protected under the *Parliamentary Evidence Act 1901* against legal action for any evidence that may be construed as defamatory.

The Committee is not subject to the *Freedom of Information Act 1989*.

Following up

It is not the Committee's role to compel the Government to implement its recommendations, although it is important to ensure recommendations are given serious consideration. The Committee understands the Government will not always agree with its findings, and after further examination by the Government there may, at times, be practical or political reasons why its recommendations cannot, or should not, be implemented. However, the Committee's reports are based on extensive research and involve gathering evidence from a wide range of expert witnesses. These reports therefore warrant due consideration by the Government, and the Parliament should be fully informed of action taken on recommendations.

Reports on its inquiries which recommend change are therefore followed up by the Committee. In the first instance, the Committee requests an initial response to a report from the appropriate Minister. Secondly, the Committee monitors action taken in response to recommendations, and thirdly, a formal review may be undertaken with further submissions and hearings.

The Committee have pursued an amendment to the *Public Finance & Audit Act 1983* to require the Government to respond to Public Accounts Committee reports. However, no amendment has been forthcoming. Prior to 1999, the Council on the Cost of Government was required to advise the Government on recommendations made by the Public Accounts Committee. However, with changes to legislation and the reconstitution of the Council into the Council on the Cost and Quality of Government, this requirement has been removed. Therefore, it is possible less consideration is now given to the Committee's recommendations than has been in the past.

Review of Legislation

The Public Accounts Committee has a responsibility under section 16(2) of the *Annual Reports (Statutory Bodies) Act 1984* and section 19(2) of the *Annual Reports (Departments) Act 1985* to review and report to the Treasurer on proposed amendments to these Acts and proposed regulations under these Acts. Section 63A(3) of the *Public Finance and Audit Act 1983* similarly provides that the Treasurer shall refer to the Committee any proposal to amend Division 3 of Part 3 (relating to auditing of statutory bodies) of that Act or make a regulation relating to the financial statements of a statutory body.



Public Education

The Public Accounts Committee gives lectures at universities and other venues to increase the community's awareness and understanding of the financial and related operations of government. In recent years it has held numerous conferences and round table meetings. Additionally, all of the Committee's reports are written so that they are suitable for reading by the general community, as well as by parliamentarians and those in the public sector.



Representatives from the Parliament of Fiji and the State Legislative Assembly of Sarawak (Malaysia) together with the Chairman, Joseph Tripodi MP and Committee Manager, Yael Larkin.



Highlights 1999 – 2000

Round tables and informal briefings

The Committee embarked on a substantial program of public consultation with stakeholders in relation to its inquiries. In early 2000, the Committee held a round-table on the issue of contract tendering with representatives from a range of private sector infrastructure providers. Discussion was held on the management of capital works tenders and contracts by NSW Government agencies and to gauge the problems private companies may be experiencing in lodging tenders for capital works projects. The discussion focussed on a number of issues including:

- the costs of preparing and presenting tender documents;
- the management of risk;
- the protection of intellectual property; and
- the issue of achieving value for money in tendering.

As part of its program of consultation, the Committee also held informal discussions with stakeholders in relation to the proposed introduction of a new accounting standard which was being introduced to enhance disclosure in the reporting of infrastructure projects in NSW. Treasury, the Audit Office of NSW and a representative from PricewaterhouseCoopers exchanged ideas with the Public Accounts Committee on issues arising from the Exposure Draft which was issued by the Australian Accounting Research Foundation (AARF) during 1999 for public comment. The Committee commissioned Mr Rahoul Ray, Director of Transaction Services at PricewaterhouseCoopers, to undertake a detailed analysis of the Exposure Draft (ED100). The Committee tabled a Discussion Paper as part of its submission to the Foundation.

The Committee also held informal briefings with the Bus and Coach Association in relation to the Committee's inquiry on the School Bus Transport Scheme. The discussion was part of an extensive process of consultation entered into by the Committee during this inquiry. A number of other briefings and discussions were also held with representatives from the private sector in relation to the Committee's inquiry into the funding of infrastructure in NSW.

International delegations

A number of international delegations meet with the Public Accounts Committee in Sydney throughout the year. Professor Percy Allan AM, Chairman of the Council on the Cost and Quality of Government, together with the Committee, hosted representatives from the Ministry of Finance in China. Representatives from the Audit Office in Malaysia also made a visit to the Parliament of New South Wales and held discussions with the Committee on the role of the Public Accounts Committee, the Auditor-General and the chain of accountability governing their functions.

Committee website

With the ever evolving technological advances of the Internet, the Parliament is ensuring that reports tabled during the current Parliament by parliamentary committees are available online. This will enable easy access for the wider community. Further, the Parliament has created a database which enables members of the public to send submissions to committee inquiries via email. The Committee's website can be accessed via links from the Parliament homepage at www.parliament.nsw.gov.au

Changes to legislation governing the Committee

In June 1999, the *Public Finance and Audit Act 1983* was amended to increase the membership of the Public Accounts Committee from five to six.



Representatives from the Ministry of Finance in China with Professor Percy Allan AM, Chairman of the Council on the Cost and Quality of Government, The Hon. John Murray MP, Speaker of the Legislative Assembly, and Members and staff of the Committee.



Reports and Inquiries

Review of the Audit Office of New South Wales

The Public Accounts Committee tabled its fourth tri-annual review of the Audit Office of New South Wales in February 2000. The review is undertaken pursuant to section 48A of the *Public Finance and Audit Act 1983* and serves to ensure the work of the Auditor-General remains accountable and of the highest standard. The review involves an examination of the auditing practices and standards of the Auditor-General to determine compliance with the requirements of the *Public Finance and Audit Act 1983*.

Under section 48A, the Committee is required to appoint a reviewer to carry out this detailed examination of the functions and operations of the Audit Office. Professor Allan Craswell, Faculty of Economics and Business, University of Sydney, was appointed reviewer by the Committee.

The terms of reference included a review of the management of the audit function, the management of human resources, the adequacy and management of technology, the conduct of financial audits and the conduct of performance audits. The review compared the performance of the Audit Office with best practice of public sector auditors in Australia and overseas, including best practice in British Columbia, the National Audit Office in the United Kingdom and the General Accounting Office in the United States of America.

In discussing the progress of the review, the reviewer advised the Committee that as auditing practices within the Audit Office evolved, they included a shift towards the auditing of management practices within government agencies. Although the last peer review emphasised the methodology of audits, the reviewer advised the Committee the current review would stress the shift towards the auditing of management reflected in the increasing number of performance audits undertaken by the Office.

The review found, generally, the Audit Office was well managed. Nevertheless, the report identifies and targets important areas for improvement and constructively prescribes ways in which the operations of the office may be made more efficient and effective. The report recommended better staff training to improve management and operational effectiveness of financial and performance audits. The report also recommended a greater oversight by the Public Accounts Committee to ensure the implementation of reports issued by the Audit Office.

During the conduct of this peer review report, the Committee was particularly concerned with the delays caused by the process governing the review as set out by the *Public Finance and Audit Act 1983*. The Committee was concerned the process in section 48A limited its control over the peer review. The Committee believed the finalisation of the review was unnecessarily delayed by this limited control. The Committee has tabled a separate supplementary report detailing the difficulties it encountered in administering the review.



One example is the Auditor-General is provided with the opportunity to respond to the findings and recommendations of the peer review. Yet, there is no similar opportunity for the Committee to review the report. As such there are no means by which the Committee can be guaranteed the reviewer has fulfilled all the terms and conditions of his or her contract. The Committee are of the view the Act currently limits its control over the process and unnecessary delays and confusion occurred during the review due to this omission from the legislation.

The Committee recommended the *Public Finance and Audit Act 1983* be amended to include a provision which ensures, to the satisfaction of the Committee, the reviewer has fulfilled all the terms and conditions of the peer review contract in addition to other directives issued by the Committee during the peer review. The recommendations specified the Committee should be afforded an opportunity to review the contractor's performance obligations prior to the draft review being sent to the Auditor-General for response.

This supplementary report also raised concerns regarding the significant cost of the reviews. The Committee argued, in line with Audit Office practice of billing its clients for audits undertaken, the Audit Office should bear the cost of the review. The Committee was of the view the cost of the review imposed a substantial burden on the Legislative Assembly's budget and accordingly, consideration should be given to the Audit Office, as client in this review, being assigned financial responsibility.

ED 100 Arrangements for the provision of public infrastructure by other Entities: Disclosure requirements

Over the years, the Public Accounts Committee has created a substantial and widespread interest in issues concerning the provision of public infrastructure. The Committee has reported on the need for private sector involvement in the provision of public infrastructure as well as generating national discussion on the economic, financial and accounting implications of financing initiatives. At the same time, there has been a general recognition by the accounting profession there has been an absence of clear accounting guidance for such transactions, resulting in varying accounting practices by public sector organisations in New South Wales and other States.

This lack of accounting standards for the financial disclosure of public infrastructure and the increasing number of audit qualifications these transactions are attracting, has led to the proposed introduction of a new accounting standard by the Australian Accounting Research Foundation. The opportunity to comment on the proposed accounting standard led the Committee to enter into a process of consultation with other stakeholders and table a discussion paper in June 2000.

The exposure draft proposes standards for disclosures by public sector agencies in relation to the provision of public infrastructure by the private sector. The Committee concluded the proposed standard was likely to be a useful document for the preparers of financial statements, auditors and users. It will assist in enhancing and improving the consistency of financial information on infrastructure.



Matters Arising from Auditor-General Reports

The Committee continued its follow-up of the Auditor-General's financial and performance audits during the year. It examined a wide range of issues such as cost control in the Department of Juvenile Justice, the long term financial viability of the waste recycling and processing service, and the financial disclosure of the WorkCover Scheme Statutory Funds. The Committee conducted hearings into these matters and tabled follow-up reports in July 2000.

The Provision of Assistance to Industry

The Committee embarked on an inquiry into industry assistance provided by the New South Wales Government during 1998/1999. As part of this inquiry the Committee conducted public hearings in Albury, Armidale and Sydney. The Committee also took evidence from representatives from the Goulburn region to evaluate issues arising from the provision of assistance to urban and regional areas. The Committee looks forward to tabling a major report on this topic.

Capital Funding

The Committee has historically been interested in the delivery of infrastructure by the New South Wales Government. During this year the Committee was alerted to concerns within the private sector regarding the current structure of the budget for infrastructure. Members were interested in investigating the extent to which the budget allows for the optimum delivery of infrastructure projects. In relation to capital funding, the Committee considered the issue of risks associated with the State's participation in public/private partnerships in infrastructure projects.

These investigations follow on from a lengthy history of reporting by the Auditor-General on the matter of the State bearing a disproportionate level of risk in infrastructure transactions with the private sector. In early 2001, the Committee tabled a report on the funding of capital projects by the New South Wales Government with particular reference to pre-tender procurement and the Parramatta Rail Link Project.

School Student Bus Transport Scheme

The Committee received a reference from the Minister for Transport to inquire into the cost of the School Student Transport Scheme which had been escalating over recent years. The Committee previously reported on this matter in January 1993 in its report entitled *Report on the School Student Transport Scheme (No. 68)*. The Committee seconded senior research personnel from the Department of Transport to provide data and information relating to the scheme. The Committee entered into an extensive process of consultation, taking evidence from a wide range of stakeholders at its hearings during June 2000. The Committee looks forward to tabling a major report on this topic.



Australasian Council of Public Accounts Committees

The Australasian Council of Public Accounts Committees (ACPAC), consisting of all public accounts-type committees throughout Australia, New Zealand and New Guinea, meet annually. The Council operates on a two year cycle, with a biennial conference and a mid-term meeting each alternate year.

The 6th biennial meeting was held in Canberra on 11 February 2000. The Committee was represented by the Chairman, Joseph Tripodi MP, and the Committee Manager, Yael Larkin. Preliminary discussions were held in relation to the ACPAC Biennial Conference in Canberra in February 2001. The central theme of the 2001 conference was the issue of accountability in the new contestable environment. The Chairman presented a paper on accountability versus efficiency and the private funding of public infrastructure.



Objectives for 1999 – 2000

The Public Accounts Committee set itself the following objectives for 1999-2000:

1. Report to Parliament on the Provision of Assistance to Industry;
2. Liaise with the Council on the Cost and Quality of Government on its review of the implementation of the Committee's recommendations;
3. Conduct inquiries and report to Parliament on any reference from the Legislative Assembly, the Treasurer, other Ministers or the Auditor-General;
4. Conduct inquiries on matters arising from its self referencing powers;
5. Follow up on matters raised by the Auditor-General in his general and performance audits;
6. Table the Review of the Audit Office of New South Wales;
7. Convene round tables on the complications and complexities involved with the cost of tendering; and
8. Continue to address issues surrounding an accounting standard governing public/private infrastructure projects.

Objective 1: Report to Parliament on the Provision of Assistance to Industry

The provision of assistance to industry across New South Wales has long been an issue which has attracted some significant level of interest both within the business community and public sector agencies. The Committee embarked on this inquiry during 1999 with a view to assessing the appropriateness of this practice.

Whilst the Committee substantially progressed this inquiry during the year, it was delayed in its finalisation by staff shortages due to the on-going restructure of the Committee system within the Parliament.

Notwithstanding resource constraints, the Committee continued to gather extensive information and intelligence on the types of assistance provided and the approaches adopted by government. The Committee is interested in maintaining a level playing field and drawing out innovative ideas which would provide NSW industries with a competitive advantage in local and international markets.

The Committee undertook a study tour which revealed interesting trends in the provision of assistance in international jurisdictions. The practice of allocating dedicated funds for competitive tendering of financial assistance emerged as one of the ways in which other countries draw out and maximise innovation and creative ideas for industry. The importance of planning and targeting economic development underpinned the much favoured enterprise development model in the US. The mandatory use of eligibility criteria for assistance and the retention model which linked assistance and state ownership provided interesting comparisons.

The Inquiry has been notable for its extensive consultation. The Committee held hearings with local authorities from Albury, Armidale and Goulburn. These included



councils, local development groups, universities, regional development bodies, Premier's Department and the Department of State and Regional Development. The Committee looks forward to tabling a major report on this topic.

Objective 2: Liaise with the Council on the Cost of Government on its review of the implementation of Public Accounts Committee recommendations

Since late 1999 the Council on the Cost of Government has operated under an administrative order from the Premier. The provisions of the *Public Sector Management Act 1988* relating to the Council lapsed at this time. Those provisions included a requirement for the Council to advise the Government on recommendations made by the Public Accounts Committee, including advice as to whether and how any such recommendations should be implemented, and monitoring the implementation of any of those recommendations that are to be implemented.

The Council has been reconstituted under the Chairmanship of Mr Percy Allan AM, ex-Secretary of Treasury. The reconstituted Council on the Cost and Quality of Government (CCQG) comprises management experts from the private sector and representatives of central agencies, regulatory agencies, and service delivery and support agencies. The new Council's mission is *To advise the Government on improving value for money and quality in public services*. The revamped Council, while building on the work of the previous Council on the Cost of Government, has identified five themes for its future work:

- working collaboratively with Ministers and Departments;
- listening to the clients (service users) not just service providers (government agencies);
- focusing on both quality and costs issues to ensure community confidence in public sector management reform;
- doing what the Council does well by concentrating on performance reviews and performance reporting; and
- communicating Government service performance to the wider community.

To this end, the Council's focus will mainly be on Budget funded activities. This will distinguish its work from that undertaken by the Independent Pricing and Regulatory Tribunal (IPART) which concentrates on user funded services. The Council's work program will primarily consist of performance reviews and performance reporting. In addition, the Council will produce an annual whole of government performance report which, besides providing an objective set of service performance indicators across government, will also highlight examples of outstanding efforts achieved by agencies at an individual activity level. There is no longer a statutory requirement for the Council to advise on or recommend implementation of the Public Accounts Committee's recommendations.



Objective 3: Conduct inquiries and report to Parliament on any reference from the Legislative Assembly, the Treasurer, other Ministers or the Auditor-General

The Committee received a reference from the Hon. Carl Scully MP, Minister for Transport, to inquire into the escalating costs of the School Student Bus Transport Scheme. The Scheme has been the subject of numerous reports and studies over the years as governments from both side of politics have sought to limit expenditure on the scheme. The current budget for the Scheme is \$402 million, which is an increase of 52% since 1990-91.

The Committee reported on this matter in 1993. It had received a reference from the Minister for Transport “to review the School Student Transport Scheme in the light of historic and projected increases in the school student travel budget”. The Committee conducted an extensive inquiry, involving public hearings and field trips in urban, regional and remote areas.

In 1993, the Committee found the parents of students in rural and remote areas who transport their own children were being minimally compensated for the costs associated with this travel, whereas in urban areas eligible students were travelling free of charge. Whilst the School Student Transport Scheme was designed to provide special assistance to students in rural and remote areas, it was those students who were significantly disadvantaged. To address these inequities without adding costs to the Scheme, the Committee recommended a \$10 per term parental contribution be levied on students participating in the Scheme. The Committee also was of the view such a contribution would discourage the issuing of passes of convenience which are rarely used but against which bus companies are paid.

The Committee also recommended surveys be conducted to determine the actual usage of passes. The Committee felt that if actual usage was well below the number of passes on issue, electronic counting systems should be introduced to accurately quantify actual usage and bus companies should be paid accordingly. Further, the Committee believed it was vital for the Government to spell out the objectives of the Scheme, rather than to allow it to develop in an *ad hoc* fashion where performance is difficult to monitor.

In late 1999, the Committee initiated its new inquiry into the escalating costs of the school bus transport scheme with particular regard to the contemporary transport needs of school students and current budgetary developments within government. The Committee is concerned about the efficiency, economy and effectiveness of the current scheme. The inquiry has focussed on such things as:

- the need for equitable and affordable transport access for students to attend school;
- rural and urban school commuters;
- the relationship between the Scheme and regular route bus services;
- the impact of educational policies on the Department of Transport expenditure; and
- student safety and welfare.



The Committee advertised for submissions in April 2000 and conducted public hearings in May and June 2000. The Committee has also obtained expert assistance from the Department of Transport, especially in relation to the gathering of information and the analysis of data and statistics.

Objective 4: Conduct inquiries on matters arising from self referencing powers

Over the years, the Public Accounts Committee has created a substantial and widespread interest in issues arising from the provision of public infrastructure. The Committee's work has been acknowledged by the Australian Accounting Research Foundation in its proposed accounting standard for infrastructure projects, ED 100.

Since 1993, the Public Accounts Committee has been at the forefront of scrutiny and comment on an area of public sector accounting that has needed to be more accountable and transparent. The lack of adequate accounting standards for infrastructure projects has increasingly become more urgent as the private sector increases its participation in these projects to some \$70 billion dollars of investment nationally.

There has been a general acceptance within the accounting and auditing profession that there has been a lack of clear accounting guidance in relation to such infrastructure transactions. This deficit has become apparent, not only in NSW, but other states as well. Many of the financial reports relating to infrastructure transactions have attracted recurring audit qualifications from respective Auditors-General across Australia. The accounting treatment of these projects has, for this reason, become an issue of pressing importance.

In preparing its submission to the Australian Accounting Research Foundation on ED100, the Public Accounts Committee entered into a consultation process. This process served as a means of gathering diverse viewpoints and allowing the Committee to better gauge the adequacy of the proposed standard. During March 2000, the Committee convened a Round Table involving representatives from Treasury, the NSW Audit Office and PricewaterhouseCoopers.

The round table discussed past and present concerns raised by agencies and specific limits of reporting in the standard. This consultation also covered concerns about definitions, emerging issues not adequately canvassed and future recognition of assets, liabilities, revenues and expenses relating to public/private infrastructure projects.

Mr Rahoul Ray of PricewaterhouseCoopers was commissioned by the Committee to provide expert assistance and his comments were included in their entirety in the Committee's submission. The Committee is grateful for Mr Ray's professional analysis. The Committee believes its submission addresses all the matters raised by the Committee over the years in infrastructure and related reports (Nos 67, 73, 74, 76,77, 80 and 102. See appendix one for a list of the Committee's reports).



Whilst the Committee is of the view the accountability of infrastructure projects requires the introduction of additional new accounting standards, it is pleased progress is being made in addressing disclosure as a first step. The Committee looks forward to further enhancements through the introduction of additional accounting standards in the future.

Objective 5: Follow up on matters raised by the Auditor-General in his general and performance audits

In fulfilling its obligations under the *Public Finance and Audit Act 1983* to follow up audits undertaken by the Auditor General, the Committee embarked on three follow up reports. The first was a follow up of the Auditor General's report on the financial disclosure of the WorkCover scheme statutory funds .

The financial disclosure of the WorkCover scheme statutory funds was raised in volume three of the Auditor-General's report to Parliament for 1999. The Auditor-General is concerned about the substantial net or unfunded liability of the WorkCover scheme statutory funds and has expressed concern that no agency has responsibility for the net liability. The Auditor-General is also concerned the scheme's accounts are not consolidated in the State's accounts, or even recorded in the notes of those accounts.

The Committee concluded the net liability was not appropriately disclosed and ownership of the scheme cannot be determined under the legislation. This situation conflicts with the practice of accrual accounting, which asserts accumulated liabilities and the associated risks are likely to be better managed if ownership is clear.

The Committee recommended the current review of existing and proposed workers compensation schemes by the Government clearly determine the ownership of unfunded liabilities and implement remedial measures to control more effectively the scheme's deficit. The Committee also recommended once ownership and control are determined, appropriate accounting treatments be applied to facilitate the proper reporting of the unfunded liability. In the interim, an explanatory note should be included in the Total State Sector Accounts outlining the accumulated deficit and the reasons for it not being consolidated in the accounts.

The second follow up concerned cost control in the Department of Juvenile Justice. The Auditor-General's report of November 1999 raised concerns about the effectiveness of financial management within the department. Budgetary targets had not been met and there were variations in financial and operational indicators that could not be readily explained and were evidence of inefficiencies in the Department.

The Committee concluded the budget allocations by Treasury had contributed to the lack of financial discipline within the Department by creating the expectation of supplementary budgetary relief. This expectation was realised annually for the past eight years. However, the Committee also concluded poor financial systems and internal reporting had contributed to the Department's poor resource management.



The Committee were informed the Department was incurring budgetary problems due to the high level of fixed costs associated with detention centre budgets. Further, the Minister for Juvenile Justice had agreed to form a finance committee within the Department with representation from Treasury to improve financial management.

The Committee supports initiatives which encourage improved financial management. It came to the view Treasury and budget dependent agencies, such as the Department of Juvenile Justice, should sign off each year on an approach to be applied to monitoring and revising annual budgets. The effect is to improve communication between Treasury and line agencies.

The third follow up report concerned the long term financial viability of the Waste Recycling and Processing Service. The Auditor-General's report of December 1999 revealed the Waste Service of NSW was making losses through its recycling facilities. Further, the Service was exposed to increasing competition through the expansion of the activities of waste boards. The Audit Report also observed increasing profits from the Waste Service's operation of solid waste landfill sites are not consistent with the Government's waste minimisation policy and targets.

The Committee concluded the objectives of the *Waste Minimisation and Management Act 1995*, which establishes the waste recycling and processing service, are not well aligned with government regulation and jurisdiction of waste activities. The Committee believed this stems from the potential conflict between the policy objectives of waste minimisation and the increasing corporatisation and commercialisation of the industry.

The Committee made a number of recommendations with a view to improving alignments and links within the existing waste industry framework.

Objective 6: Table the Review of the Audit Office of New South Wales

Under section 48A of the *Public Finance and Audit Act 1983*, the Public Accounts Committee is required to appoint a reviewer to carry out a detailed examination of the functions and operations of the Audit Office of New South Wales. Professor Allan Craswell, Faculty of Economics and Business, University of Sydney was appointed reviewer for the fourth tri-annual review of the Audit Office.

The Committee met with Professor Craswell on a number of occasions this year to gauge his progress with respect to his review, to discuss the provision of information in relation to the review and identify additional issues worthy of detailed examination. The Committee also met with Professor Craswell to offer administrative assistance in the form of correspondence with public sector agencies audited by the Audit Office.

The Committee assisted Professor Craswell in arranging appointments with a select number of representative organisations in order to obtain feedback concerning audits undertaken by the Auditor-General's Office. The Committee also advertised the peer review and invited individuals and organisations to make a written submission to the Public Accounts Committee with respect to the review of the Office.



A consensus was reached between the Committee and Professor Craswell that the completion of the Peer Review would depend upon the timely provision of information by agencies and the Audit Office. The completion of the review was delayed by Professor Craswell undertaking extensive benchmarking in relation to other audit offices in jurisdictions such as Victoria, Queensland, Western Australia, Canada and the United Kingdom.

Objective 7: Convene Round Tables on the cost of tendering for government projects

The Committee convened a round table into the management of capital works tenders and contracts by NSW government agencies in March this year. This process of consultation follows on from extensive investigation into the cost of tendering, issues of probity in tendering and the management of tender processes by government agencies undertaken by various Committees and the Independent Commission Against Corruption.

Members met with representatives from a large range of private sector organisations to discuss problems which have impeded the delivery of effective, efficient and economical tenders for capital works development in NSW. Members learnt about the following difficulties:

- the preparation and presentation of tender documents;
- the clarity of tender specifications;
- the often prohibitive costs of lodging a tender for small to medium sized firms; and
- the associated resort to collusion in gaining a competitive advantage in this process.

Questions of intellectual property emerged as significant as did the retention of high level major capital works negotiating expertise within the NSW public service. Whilst the consultation process provided a forum for debate about these issues a number of these concerns were being addressed by Independent Commission Against Corruption. The Committee deferred its inquiry following proposed changes within government departments.

Objective 8: Continue to address issues surrounding an accounting standard governing public/private infrastructure projects

As already noted, the Committee has done extensive work on matters arising from the provision of public infrastructure. During 1999-2000, the Committee consulted with proponents from both the public and private sector. Following this consultation, the Committee prepared a submission to the Australian Accounting Research Foundation for the Exposure Draft, ED100: Arrangements for the provision of public infrastructure by other entities – Disclosure requirements. The Committee will be keeping a watching brief on this and any related issues.



Objectives for 2000 – 2001

The Public Accounts Committee hopes to achieve the following objectives for 2000/2001:

1. Report to Parliament on issues emerging from its inquiry into the funding of capital projects by the NSW Government;
2. Report to Parliament on the Provision of Assistance to Industry provided by the NSW Government;
3. Report to Parliament on the inquiry into the School Student Transport Scheme;
4. Conduct inquiries and report to Parliament on any reference from the Legislative Assembly, the Treasurer, other Ministers or the Auditor-General;
5. Conduct inquiries on matters arising from self referencing powers;
6. Follow up on matters raised by the Auditor-General's general and performance audits; and
7. Continue to pursue the Committee's public education role.



Public Accounts Committee Financial Statements for 1999 -2000

CERTIFICATION OF ACCOUNTS

- a) This special purpose financial report for the year ended 30 June 2000 is prepared for the information of the Members of the New South Wales Parliament. The Public Accounts Committee is a statutory committee of the New South Wales Parliament, constituted by section 54 of the *Public Finance and Audit Act 1983*. The financial statements of the Public Accounts Committee are prepared within the framework of the accounts of the Parliament and are subject to those accounts; and,
- b) The special purpose financial report attempts to exhibit a true and fair view of the operations and the transactions of the Public Accounts Committee. The report has been prepared in consultation with the Audit Office of NSW; and,
- c) There are no circumstances that the Committee is aware of which would render any particulars in the special purpose financial report to be misleading or inaccurate.

Joe Tripodi

Chairman
30 May 2001



BOX 12 GPO
SYDNEY NSW 2001

INDEPENDENT AUDIT REPORT
PUBLIC ACCOUNTS COMMITTEE

To Members of the New South Wales Parliament

Scope

I have audited the accounts of the Public Accounts Committee for the year ended 30 June 2000. The Committee is responsible for the special purpose financial report consisting of the operating statement, together with the notes thereto, and the information contained therein. The Committee has determined that the accounting policies are appropriate to meet the needs of the Members of Parliament. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the Members.

The financial report has been prepared for distribution to Members of Parliament for the purpose of fulfilling the Committee's financial reporting requirements. I disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the Members of Parliament, or for any purpose other than that for which it was prepared.

My audit has been conducted in accordance with Australian Auditing Standards. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is consistent with my understanding of the results of the Committee's operations.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion, the special purpose financial report of the Public Accounts Committee presents fairly the results of its operations for the year ended 30 June 2000.


J.R. Mitchell
Deputy Auditor-General

SYDNEY
8 December 2000



This is the start of the audited financial statements.

PUBLIC ACCOUNTS COMMITTEE

OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 2000

	Notes	2000	1999
		\$	\$
EXPENSES			
Employee related	4 (a)	163,184	197,913
Other operating expenses	4 (b)	158,838	56,522
Peer review expenses	7	88,500	62,776
Members' allowance	6	18,290	15,655
		428,812	332,866
REVENUES			
Conference and seminar fees		3,449	-
Sale of reports		-	559
		3,449	559
NET COST OF SERVICES		425,363	332,307
SUBSIDY FROM THE LEGISLATURE	2 (c), 8	428,812	332,866
SURPLUS FOR THE YEAR		3,449	559
CONTRIBUTION TO THE LEGISLATURE	5	3,449	559
OPERATING RESULT FOR THE YEAR		-	-

The accompanying notes form part of these financial statements.



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30 JUNE 2000**

1. SPECIAL PURPOSE FINANCIAL REPORT

This is a special purpose financial report prepared for the information of the Members of the New South Wales Parliament. The Public Accounts Committee is a statutory committee of the New South Wales Parliament, constituted by section 54 of the *Public Finance and Audit Act 1983*.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of this report are consistent with previous years, and are in the opinion of the members of the Committee, appropriate to meet the needs of members. The financial report has been prepared on an accrual basis and the going concern assumption and in accordance with applicable Australian Accounting Standards.

a) Accounting Policy

The costs of office space and equipment are met by The Legislature and a pro-rata charge is included in the financial statement to report the costs of such facilities provided by The Legislature.

b) Employee Entitlements

The employee entitlements of the Public Accounts Committee are included in the Legislature's liabilities, which are assumed by the State. The amounts expected to be paid to employees for their pro-rata entitlements are accrued annually at current pay rates.

c) Subsidy from The Legislature

The subsidy from The Legislature is a non cash item which reflects the level of Committee expenses such as employee expenses and electricity, etc. which are paid for by The Legislature and reflected in The Legislature's financial report under Program 1.1.2. "Parliamentary Government-Legislative Assembly". The Committee does not own assets, nor does it incur liabilities in its own right.



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30 JUNE 2000**

d) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

3. CHANGES IN OPERATING STATEMENT

All expenses incurred by The Legislature on behalf of the Public Accounts Committee have been included in the operating statement as expenses with a corresponding income described as subsidy from the The Legislature.

4. OPERATING EXPENSES

	2000	1999
(a) EMPLOYEE RELATED EXPENSES	\$	\$
*Salaries and wages	153,969	180,994
Payroll tax and fringe benefits tax	8,401	16,223
Workers compensation insurance	814	696
	163,184	197,913

The employee related expenses represent the salaries attributable to the Public Accounts Committee for the year ended 30 June 2000. In 1999, the Director's salary was apportioned to other committees as they also held positions on the Joint Select Committee on Health Care Complaints & the Public Bodies Review Committee.

*The figure for salaries and wages includes an amount for \$7,821.36 paid to agency staff during 1999-2000.



PUBLIC ACCOUNTS COMMITTEE

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000

4. OPERATING EXPENSES (CONTINUED)

(b) OTHER OPERATING EXPENSES	2000	1999
	\$	\$
Accommodation	21,528	17,649
Computer	9,829	9,083
Travel	69,059	8,183
Printing	1,980	7,363
Post, courier & telephone	5,306	4,887
Briefings and hearings	-	2,170
Books, periodicals & papers	1,401	1,547
Stationery	1,764	1,179
Meetings	-	980
Training & development	-	935
Public information and education	-	2,546
Advertising	20,057	-
Contracting	11,364	-
Miscellaneous	1,902	-
Depreciation	9,117	-
Entertainment and Meals	5,531	-
	<u>158,838</u>	<u>56,522</u>

5. CONTRIBUTION TO THE LEGISLATURE

A contribution of \$3,449 (\$559 in 1999) representing revenue received by the Public Accounts Committee was paid to the NSW Parliament.

6. MEMBERS' ALLOWANCES

Members of the Committee receive an allowance for their service directly from The Legislature and not from the Committee. The Chairman receives a salary of office per annum equivalent to 7% of their annual salary. The other five members receive an allowance of \$2,490 per annum. This allowance increased to \$2,740 from 31 December 2000. The allowance is disclosed in the operating statement.



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30 JUNE 2000**

7. REVIEW OF THE NSW AUDIT OFFICE

In 1991 a new section (48A) was included in the Public Finance and Audit Act 1983. This new section was based on recommendations made by the Public Accounts Committee in 1990, and required that the Public Accounts Committee appoint a reviewer of the Auditor General's Office. Expenses of the reviews are met from a specific allocation from the Consolidated to the Parliament. A review is to be undertaken every three years. A reviewer was appointed in October 1998, and the report was tabled in February 2000. Peer review expenses to 30 June 2000 amounted to \$88,500 (\$62,776 in 1999).

8. SUBSIDY FROM THE LEGISLATURE

	2000	1999
	\$	\$
Employee related expenses	163,184	197,913
Other operating expenses	158,838	56,522
Peer Review Expenses	88,500	62,776
Members allowances	18,290	15,655
	<hr/> 428,812	<hr/> 332,866

<i>This is the end of the audited financial statements.</i>



Appendix One

Public Accounts Committee Reports and Origin of Committee Inquiries

No.	Report	Reference From			Initiated by the PAC
		Minister	Treasurer	Auditor-General	
1	Expenditure without Parliamentary Sanction or Appropriation (November 1981)				A
2	Over-Expenditure in Health Funding to Hospitals (February 1982)				
3	Public Accountability in Public and Other Subsidised Hospitals (April 1982)				
4	Expenditure without Parliamentary Sanction or Appropriation (September 1982)				
5	Overtime Payments to Police (November 1982)				
6	Overtime Payments to Corrective Services Officers (May 1983)				
7	Accountability of Statutory Authorities (June 1983)				
8	Report on the Grain Sorghum Marketing Board (November 1983)				
9	Matters examined in relation to the Auditor-General's Report 1981-82 (December 1983)				A
10	Superannuation Liabilities of Statutory Authorities (August 1984)				
11	Annual Report for the Year Ended 30 June 1984 (August 1984)				
12	Matters examined in relation to the Auditor-General's Report 1982-83 (October 1984)				A
13	Proposed Regulations accompanying the <i>Annual Reports (Statutory Bodies) Act 1984</i> and the <i>Public Finance and Audit Act 1983</i> (January 1985)				
14	Investment Practices of New South Wales Statutory Authorities (June 1985)				A
15	Performance Review Practices in Government Departments and Authorities (June 1985)				
16	Brief Review of the Macarthur Growth Area (July 1985)				A
17	Brief Review of the Statutory Funds of the Department of Environment and Planning (July 1985)				A
18	Brief Review of the Land Commission of New South Wales (July 1985)				A
19	Annual Report for the Year Ended 30 June 1985 (September 1985)				
20	Report on Year-End Spending in Government Departments and Authorities (March 1986)				A
21	Follow-Up Report on Inquiries into the NSW Public Hospital System (April 1986)				F
22	Report on Recommended Changes to the Public Accounts (May 1986)				

PUBLIC ACCOUNTS COMMITTEE



23	Report on Proposed Regulations Accompanying the <i>Annual Reports (Departments) Act 1985</i> and Miscellaneous Amendments Concerning Annual Reporting (May 1986)				
24	Follow-Up Report on Overtime Payments to Corrective Service Officers (June 1986)				F
25	Report on the Collection of Parking and Traffic Fines (July 1986)				A
26	Follow-Up Report on Annual Reporting of Statutory Authorities (July 1986)				F
27	Annual Report for the Year Ended 30 June 1986 (August 1986)				
28	Follow-Up Report on Overtime, Sick Leave and Associated Issues in the NSW Police Force (November 1986)				F
29	Report on the New South Wales Builders Licensing Board (December 1986)				
30	Report on the Brief Review of the Sydney Opera House Trust; Harness Racing Authority of New South Wales; and the New South Wales State Cancer Council (February 1987)				A
31	Report on the Film Corporation of New South Wales (June 1987)				A
32	Report on the Home Care Service of New South Wales (July 1987)				
33	Annual Report for the Year Ended 30 June 1987 (September 1987)				
34	Supplementary Report for the Year Ended 30 June 1987 (September 1987)				A, F
35	Report on the Wine Grapes Marketing Board for the Shires of Leeton, Griffith, Carrathool and Murrumbidgee and the Grain Sorghum Marketing Board (September 1987)				
36	Report on the Biennial Conference of Public Accounts Committees, Sydney – May 1987 (October 1987)				
37	Report on the Ravensworth Coal Washery (October 1987)				A
38	Proceedings of the Accrual Accounting Seminar held 5 February 1988 (May 1988)				
39	Report on the Purchasing Practices and the Allocation of Stores and Equipment Resources within the Technical and Further Education System (February 1988)				
40	Report on the Heritage Council of New South Wales (June 1988)				
41	Annual Report for the Year Ended 30 June 1988 (September 1988)				
42	Report on the Management of Arson in the Public Sector (January 1989)				
43	Report on Payments without Parliamentary Appropriation (February 1989)				
44	Report on the NSW Ambulance Service (February 1989)				
45	Report on the Payments to Visiting Medical Officers (June 1989)				
46	Annual Report for the Year Ended 30 June 1989 (October 1989)				
47	The Challenge of Accountability (November 1989)				
48	Report on the Darling Harbour Authority (December 1989)				
49	Report on the NSW Auditor-General's Office (July 1990)				
50	Report on the Lord Howe Island Board (December 1990)				A



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51	Annual Report for the Year Ended 30 June 1990 (October 1990)				
52	Report on the Forestry Commission (December 1990)				
53	Report on the Auditing of Local Government (January 1991)				
54	Examination of the Juvenile Transport Service of the Department of Family and Community Services (March 1991)				A
55	Report on Payment Performance of Major Statutory Authorities and Inner Budget Sector Departments (April 1991)				
56	Parliamentary Scrutiny of Performance Seminar held 9 November 1990 (April 1991)				
57	Report on Legal Services Provided to Local Government (May 1991)				
58	Annual Report for the Year Ended 30 June 1991 (October 1991)				
59	Report on the National Parks and Wildlife Service (December 1991)				
60	Report on Dividend Payments made by Statutory Authorities to the Consolidated Fund (April 1992)				A
61	Follow-Up Report on Financial Accountability (June 1992)				F
62	Phase One Report on the Public Accounts Committee Special Inquiry into the Port Macquarie Hospital Contract (June 1992)	LA			
63	Report of Proceedings of the Seminar to Review Progress of Financial Reform in the NSW Public Sector (June 1992)				
64	Report on the Progress of Financial Reform in the NSW Public Sector (June 1992)				
65	Public Accounts Committee – Ninetieth Anniversary (November 1992)				
66	Annual Report for the Year Ended 30 June 1992 (November 1992)				
67	Inquiry into Financing of Urban Infrastructure – Report on European Inspection Tour 30 October – 12 November 1992 (December 1992)				
68	Report on the School Student Transport Scheme (January 1993)				
69	Proceedings of the 90 th Anniversary Seminar on Internal Control and Audit (January 1993)				
70	Review of the Special Auditing Function of the NSW Auditor-General's Office (June 1993)				F
71	Internal Audit in the NSW Public Sector (June 1993)				
72	Funding of Health Infrastructure and Services in New South Wales (June 1993)	LA			
73	Infrastructure Management and Financing in NSW Volume 1: From Concept to Contract – Management of Infrastructure Projects (July 1993)				
74	Inquiry into the Financing of Urban Infrastructure – Report on the United States Study Tour 28 August – 5 September 1993 (November 1993)				
75	Annual Report for the Year Ended 30 June 1993 (November 1993)				
76	The Financing of Infrastructure Projects – Discussion Paper (November 1993)				

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77	Proceedings of the Conference on Risk & Return – Traditional & Innovative Financing for Infrastructure Projects (Vol. 1) (December 1993)				
78	Proceedings of the Seminar on Internal Audit – Implementation of Change (February 1994)				
79	Expansion of the Hawkesbury District Health Services (February 1994)				
80	Infrastructure Management and Financing in New South Wales – Public-Private Partnerships – Risk & Return in Infrastructure Financing (Vol. 2) (February 1994)				
81	Report on Public Defenders (June 1994)	MU			
82	Matters Arising from the Auditor-General’s Reports (June 1994)				A
83	Preparations for the Peer Review of the Auditor-General’s Office (June 1994)				
84	A Tale of Two Olympic Cities: Visit to Los Angeles and Montreal by the Public Accounts Committee (October 1994)				
85	Annual Report for the Year Ended 30 June 1994 (October 1994)				
86	Inquiry into State Debt Control (Balanced Budget) 1994 (December 1994)				
87	Co-ordination of Government Inputs into Overseas Projects – International Market Development Activities of NSW Marketing Boards (December 1994)				
88	Report on the Rural Assistance Authority (February 1995)	LA			
89	Proceedings of the Seminar on Accrual Accounting – The Scorecard to Date (February 1995)				
90	Annual Reports – Issue Paper (May 1995)				F
91	Report on Darling Harbour: Sporting Facilities (August 1995)				
92	Proceedings of the Seminar on Annual Reporting in the NSW Public Sector: The Best is Yet to Come, 9 August 1995 (September 1995)				F
93	Annual Report for the Year Ended 30 June 1995 (November 1995)				
94	Offshore and Off-Target – Why NSW lags in Overseas Projects (November 1995)				
95	Annual Reporting in the NSW Public Sector (The truth, the whole truth and nothing but the truth?) (April 1996)				
96	Proceedings of the Seminar on Asset Valuation in the Public Sector: Issues in the Controversy (April 1996)				
97	Review of the Audit Office of NSW under section 48A of the <i>Public Finance and Audit Act 1983</i> (Volumes 1 & 2) (April 1996)				
98	Australasian Council of Public Accounts Committees Mid-Term meeting (Transcript of Proceedings) (May 1996)				
99	Customer Service in Courts Administration: The Missing Dimension A Review by the Public Accounts Committee of the Interim Performance Report by the NSW Audit Office into Courts Administration (June 1996)				F
100	Pioneers – Progress but at a Price. The Implementation of Accrual Accounting in the NSW Public Sector (June 1996)				



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101	Matters arising from the NSW Auditor-General's Report for 1995 (June 1996)				A
102	Proceedings of the Conference on Public/Private Infrastructure Financing: Still Feasible? (October 1996)				
103	Annual Report for the Year Ended 30 June 1996 (May 1997)				
104	Proceedings of the Biennial Conference of the Australasian Council of Public Accounts Committees (May 1997)				
105	Proceedings of the Seminar on Debts and Debtors: Getting Better Results (May 1997)				
106	The Public's Debts to the State: Better Agency Collection, Higher State Revenue – Discussion Paper (November 1997)				
107	Follow-Up of Selected Public Accounts Committee Reports: 1988 – 1996 (June 1997)				F
108	Matters arising from the Auditor-General's Report for 1996 (June 1997)				A
109	Follow-Up Report to the Auditor-General's Performance Audit Report entitled <i>Effective Utilisation of School Facilities</i> (June 1997)				A
110	Follow-Up Report to the Auditor-General's Performance Audit Report entitled <i>Joint Operations in the Education Sector</i> (June 1997)				A
111	Annual Report for the Year Ended 30 June 1997 (November 1997)				
112	Legal Services to Local Government: Minimising Costs Through Alternative Dispute Resolution – Discussion Paper (November 1997)				
113	Proceedings of the Conference on Doing Business with the World Bank and the United Nations (December 1997)				
114	Proceedings of the Interactive Seminar on Dispute Management in Local Government (April 1998)				
115	Changing the Culture: Dispute Management In Local Councils (June 1998)				
116	Annual Report for the Year Ended 30 June 1998 (October 1998)				
117	Follow-Up Report: Offshore and Off-Target Why NSW lags the field in overseas projects (November 1998)				F
118	Streamlining Payment of Overdue Debts (December 1998)				
119	Annual Report for the Year Ended 30 June 1999 (December 1999)				
120	Review of the Audit Office of New South Wales under section 48A of the <i>Public Finance and Audit Act 1983</i> (February 2000)				
121	Problems in the Administration of the <i>Public Finance and Audit Act 1983</i> during the review of the Audit Office of New South Wales (February 2000)				
122	ED100: Arrangements for the Provision of Public Infrastructure by other Entities: Disclosure Requirements – Discussion Paper (June 2000)				
123	Report on Cost Control in the Department of Juvenile Justice (July 2000)				A
124	Report on the Financial Disclosure of the WorkCover Scheme Statutory Funds				A



	(July 2000)				
125	Report on the Long Term Financial Viability of the Waste Recycling and Processing Service (July 2000)				A
126	Inquiry into the Funding of Capital Projects by the New South Wales Government: Parramatta Rail Link Pre-Tender Procurement – A Case Study (January 2001)				
127	Submission to the Green Paper: “Working with Government – Private Financing of Infrastructure and Certain Government Services in NSW” (April 2001)				
128	Inquiry into the Collapse of the NSW Grains Board (May 2001)				

Public Accounts Committee inquiries may be initiated by a reference from a Minister, the Legislative Assembly, the Auditor-General, or by the Committee itself.

Key	A	=	Matters raised in the Auditor-General's Report
	F	=	Follow-up inquiries by the Committee, but original inquiries may have
			been referred by a minister, the Auditor-General or the Treasurer
	LA	=	Reference from the Legislative Assembly
	MU	=	Reference from a minister following negotiations between the Independents, as a result of The Memorandum of Understanding



Appendix Two – Attendance

Attendance by Committee Members July 1999 – June 2000

MEETING	MEMBERS					
DATE	TRIPODI	ALLAN	HODGKINSON	TORBAY	GLACHAN	COLLIER
23-Jun-1999	✓	✓	✓	✓	✓	✓
30-Jun-1999	✓	Apology	✓	✓	✓	✓
25-Aug-1999	✓	Apology	✓	Apology	✓	✓
08-Sep-1999	✓	Apology	✓	✓	✓	✓
15-Sep-1999	✓	Apology	✓	✓	✓	✓
22-Sep-1999	✓	Apology	✓	✓	✓	✓
27-Oct-1999	✓	✓	✓	✓	✓	✓
10-Nov-1999	✓	✓	✓	✓	✓	✓
17-Nov-1999	✓	✓	✓	✓	✓	✓
25-Nov-1999	✓	✓	✓	✓	✓	✓
02-Dec-1999	✓	✓	Apology	Apology	Apology	✓
09-Dec-1999	✓	✓	✓	✓	✓	✓
18-Feb-2000	✓	✓	Apology	✓	Apology	✓
05-Apr-2000	✓	✓	✓	✓	✓	✓
12-Apr-2000	✓	✓	✓	✓	✓	✓
27-Apr-2000	✓	✓	Apology	Apology	✓	✓
28-Apr-2000	✓	Apology	✓	✓	✓	✓
03-May-2000	✓	✓	✓	✓	✓	✓
04-May-2000	✓	✓	Apology	✓	✓	✓
05-May-2000	✓	✓	Apology	✓	✓	✓
24-May-2000	✓	Apology	✓	✓	✓	Apology
31-May-2000	✓	Apology	✓	✓	✓	✓
07-Jun-2000	✓	✓	Apology	✓	✓	✓
29-Jun-2000	✓	✓	✓	✓	✓	✓



Appendix Three

Compliance Checklist

As part of the legislature, the Public Accounts Committee is not subject to the annual reporting legislation and is therefore not required to comply with the specific reporting criteria set out in the acts or regulations. Indeed, the Committee is not required to produce an annual report at all. Accordingly, many of the specific reporting requirements set out in the annual reporting legislation are not relevant to the Committee.

This compliance checklist indicates which of the reporting criteria are relevant and where they may be found in the report, and which of the criteria are not relevant. Where possible, advice is provided on where the required information may be found. This compliance checklist is based on the "Checklist of Annual Reporting Requirements" published by the Treasury in the document *Excellence in Financial Management, Annual Reports: A Guide for the NSW Public Sector* in March 1994.

BUDGETS

See the audited financial statements for the detailed budget for 1999/2000 and particulars of material adjustments to the detailed budget. See 1999/2000 budget papers for the overall funds available to parliamentary committees and the Annual Report for the Legislative Assembly for 1999/2000 for the details of Committee funding.

REPORT OF OPERATIONS

Charter

See page v for brief information on charter. For more detailed information on the Committee's statutory functions refer to page 7. For information on the history of the Committee, please refer to page 9.

Aims and Objectives

See the Committee mission statement and objectives on page 16. For information on specific objectives for 1999/2000 and 2000/2001 see pages 21-28.

Access

For contact details see page v.



Management and Structure

See pages 3-4 for details of Members of the Committee. See page 5 for information about the Public Accounts Committee staff. See page 42 for information about the frequency of Committee meetings and members' attendance at meetings. An organisational chart for the secretariat is located on page 6.

Summary Review of Operations

See pages 15-16 for highlights for 1999/2000 and pages 1-2 for the Chairman's Review. Recreation leave and long service leave entitlements are handled by the Legislative Assembly. See the Legislative Assembly annual report for information about the monetary amount of these entitlements.

Funds Granted to Non-Government Community Organisations

Not applicable.

Legal Change

In June 1999, the *Parliamentary Committees Legislation Amendment Act 1999* was passed. This amended Part 4 of the *Public Finance and Audit Act 1983* by increasing the number of Members of the Legislative Assembly to serve on the Public Accounts Committee from five to six. Subsequently, the legislation also increased the quorum required to hold a meeting from three to four members. There have been no significant judicial decisions affecting the Committee during 1999/2000.

Economic / Other Factors Affecting Achievement of Objectives

The on-going restructure of the parliamentary committees of the Legislative Assembly resulted in staff shortages for the Committee. The year saw the appointment of a new Director, Committee Officer and Assistant Committee Officer. A new Project Officer was appointed in late 2000.

Management and Activities

See pages 21-27 relating to the fulfilment of Committee objectives for details of the Public Accounts Committee's activities during 1999/2000. See pages 15-16 for the Committee's highlights for the year.

No formal performance reviews, management and strategy reviews, or management improvement plans were undertaken during 1999-2000.

Human Resources

Personnel policies and practices, wages etc. for the Public Accounts Committee staff are controlled by the Legislative Assembly. See the Annual Report for the Legislative Assembly for 1999-2000.

***Consultants***

The Committee engaged Professor Allan Craswell, Faculty of Economic and Business, University of Sydney to review the Audit Office of New South Wales in 1999. For information on the peer review see pages 17-18.

Equal Employment Opportunity

See the Annual Report for the Legislative Assembly for 1999/2000 for details concerning the Legislative Assembly's Equal Employment Opportunity policy, which applies to the Committee, and required statistical information.

Land Disposal

Not applicable.

Promotion

The Public Accounts Committee has published a brochure describing its functions and operations. The Legislative Assembly has also produced brochures which provide brief information about the operations of parliamentary committees, the preparation of submissions and Committee hearings. Information on the Committee and its inquiries can also be found on the Parliament's website at www.parliament.nsw.gov.au

Payment of Accounts

Public Accounts Committee accounts are paid by the Legislative Assembly. See the Annual Report of the Legislative Assembly for 1999/2000 for information about the payment of accounts.

Report on Risk Management and Insurance Activities

The Public Accounts Committee does not carry insurance separate from the Legislative Assembly. See the Annual Report of the Legislative Assembly for 1999/2000 for information about risk management and insurance activities.

Disclosure of Controlled Entities

Not applicable.

Investment Management Performance

Not applicable.

Liability Management Performance

See the Annual Report of the Legislative Assembly for 1999/2000 for information on liability management performance.



Chief and Senior Executive Officers

Not applicable. (As part of the Legislative Assembly, the Public Accounts Committee is not part of the Chief Executive or Senior Executive Service).

Major Assets

All assets are owned by the Legislative Assembly. See the Annual Report of the Legislative Assembly for details.

Code of Conduct

As staff of the Legislative Assembly, Committee staff must adhere to the Assembly's code of conduct. See the Annual Report for the Legislative Assembly for details. In addition, the Committee has adopted a code of conduct for application to its staff, advisers, secondees and consultants. See pages 74 & 75 of the Public Accounts Committee's Annual Report for 1993-1994.

Audited Financial Statements

See pages 29-35.

After Balance Date Events Having a Significant Effect in the Succeeding Year

Information is included in this report about major activities undertaken by the Committee during the period. A number of inquiries will continue and have effect in the next financial year.

OTHER PRESCRIBED REQUIREMENTS

Particulars of Extensions of Time and Approved Exemptions

Not applicable.

Response to Matters Raised by Auditor-General in Outgoing Audit Reports

There were no critical comments made about the Public Accounts Committee in reports of the Auditor-General during 1999/2000.

Letter of Submission to Minister

Not applicable.

Submission of Annual Report to Minister & Treasurer

Not applicable.



Submission of Annual Report to Parliament

This annual report was tabled in the Legislative Assembly by the Public Accounts Committee Chairman in June 2001.

Form of Annual Reports

This annual report complies with all the requirements concerning the form of annual reports (material information, index & table of contents, logical sequence, appropriate layout, legibility, captions for charts etc).

Size - ISO A4

This annual report printed on ISO A4 paper.

Printing Requirements

The report was compiled using *Word 97*. The report was printed by the Parliamentary Printing Service. The report is available on the parliament's website at www.parliament.nsw.gov.au

Further copies can be obtained by contacting the Committee Secretariat.

Inclusion of Other Reports & Information

Determinations of the Parliamentary Remuneration Tribunal apply to the Public Accounts Committee with regards to committee allowances and travelling allowances. The current determination was issued in December 2000.